

**AGENDA:** June 10, 2003

**5.2**

**CATEGORY:** Public Hearing

**DEPT.:** City Manager

**TITLE:** Adoption of Fiscal Year 2003-04 Budget,  
Appropriations Limit and Fee and Utility  
Rate Modifications

**RECOMMENDATION**

Convene the public hearing, accept public comment and approve the following actions necessary to adopt the Fiscal Year 2003-04 budget and appropriations limit as well as the fee and utility rate modifications.

A. Fiscal Year 2003-04 City of Mountain View Budget

Resolution No.\_\_\_\_\_

Adopt A RESOLUTION ADOPTING THE FISCAL YEAR 2003-04 BUDGET, to be read in title only, further reading waived.

Resolution No.\_\_\_\_\_

Adopt A RESOLUTION ADOPTING THE FISCAL YEAR 2003-04 APPROPRIATIONS LIMIT, to be read in title only, further reading waived.

B. City of Mountain View Master Fee Schedule

Resolution No.\_\_\_\_\_

Adopt A RESOLUTION AMENDING THE CITY OF MOUNTAIN VIEW MASTER FEE SCHEDULE, to be read in title only, further reading waived.

C. Mountain View Revitalization Authority (MVRA)

Resolution No.\_\_\_\_\_

Adopt A RESOLUTION ADOPTING THE FISCAL YEAR 2003-04 BUDGET, to be read in title only, further reading waived.

D. Mountain View Shoreline Regional Park Community (SRPC)

Resolution No.

Adopt A RESOLUTION ADOPTING THE FISCAL YEAR 2003-04 BUDGET, to be read in title only, further reading waived.

E. City of Mountain View Capital Improvement Financing Authority (MVCIFA)

No action items for this fiscal year.

**FISCAL IMPACT**

A. City of Mountain View Budget

Adoption of the total Fiscal Year 2003-04 budget for those funds governed by the City Council (i.e., excluding MVRA, SRPC and MVCIFA) in the amount of \$122,395,706, including amendments tentatively approved by City Council on June 3, 2003, and the appropriations for the Fiscal Year 2003-04 Capital Improvement Program, in the amount of \$9,678,000 authorizes a total expenditure program of \$132,073,706 for Fiscal Year 2003-04. This includes General Operating Fund revenues in the amount of \$71,026,075 and expenditures in the amount of \$68,507,829, leaving a balance of revenues over expenditures in the amount of \$2,518,246 as an Economic Stabilization Contingency.

The total budget will be amended to include any modifications adopted at the June 10, 2003 public hearing.

An appropriation in the amount of \$33,333 has been included in the Police Department budget to match potential Homeland Security grant funding. If the grant is not awarded to the City, this appropriation will not be utilized.

B. City of Mountain View Master Fee Schedule

The adoption of the Fiscal Year 2003-04 amendments to the City of Mountain View Master Fee Schedule authorizes new fees and modification of others.

C. Mountain View Revitalization Authority (MVRA)

The adoption of the Fiscal Year 2003-04 Revitalization Authority proposed budget will authorize a total expenditure program in the amount of \$1,904,100. This amount will be amended to include any modifications adopted at the June 10, 2003 public hearing.

D. Mountain View Shoreline Regional Park Community (SRPC)

The adoption of the Fiscal Year 2003-04 Shoreline Regional Park Community proposed budget in the amount of \$13,868,981 and the Fiscal Year 2003-04 Capital Improvement Program budget of \$13,187,000 authorizes a total expenditure program in the amount of \$27,055,981. This amount will be amended to include any modifications adopted at the June 10, 2003 public hearing.

E. City of Mountain View Capital Improvement Financing Authority (MVCIFA)

The MVCIFA was established to facilitate the refinancing of bonded debt issued for construction of the Civic Center and several North Bayshore-Shoreline Regional Park Community debt issues. A subsequent bond call and refinancing in August 2001 resulted in a defeasance of the debt. Although there is no longer a budget to adopt, the resolution establishing the procedures for the MVCIFA requires an annual meeting. It is not recommended to dissolve this entity at this time as this agency may provide a purpose in future bond issues or refinancings.

Appropriations for the total budget for all City agencies is \$161,033,787.

**BACKGROUND AND ANALYSIS**

City Charter Sections 1103, 1104 and 1105 specify the requirements for adoption of the annual City budget. This process requires City Council review of the Proposed Budget submitted by the City Manager, public notice and public hearing on the Proposed Budget, and adoption of the annual budget, including any Council-approved amendments, following the public hearings. The duly noticed public hearings on June 3 and June 10, 2003 will satisfy City Charter and other legal requirements.

A. City of Mountain View Budget

At the public hearing on June 3, 2003, Council made tentative decisions by straw vote amending the Proposed Budget. Those amendments are listed below, and the amounts shown are the net change in total appropriations in the Proposed Budget.

<u>Item</u>	<u>Funding Source</u>	<u>Amount</u>
General Fund Economic Stabilization Contingency Proposed Balance		\$2,732,000

The expenditure modifications are as follows:

Move Deputy Fire Marshal to Level 1 Contingency	General Operating Fund	(130,000)
Retain Hazardous Response Team. Reduce Training Costs and HazMat Specialty Pay (net increase)	General Operating Fund	(15,000)

The revenue modifications are as follows:

Ticket Surcharge—Exclude School Time Performances (revenue reduction)	General Operating Fund	(9,000)
Reduce Ticket Surcharge from \$2.00 to \$1.50 (revenue reduction)	General Operating Fund	<u>(60,000)</u>
General Fund Economic Stabilization Contingency Amended Balance		\$2,518,000

Council also approved the following changes to other funds:

Fire Inspection Operations Review	Budget Transition Reserve	20,000
Cost Recovery/Fee Analysis Studies	Budget Transition Reserve	40,000
KMVT Funding	Cable Television Endowment	720,000

The Proposed Budget included \$30,000 for interest payments to KMVT on the \$750,000 balance. The \$720,000 is the net budget increase.

In addition, staff proposes moving \$756,903 of revenues and appropriations for the 1995 Revitalization COP Debt Service Pass-Through from the General Operating Fund to the General Fund Reserve to better reflect operating costs. This will have no financial impact as revenues equal appropriations.

As noted in the "Fiscal Impact" section, any amendments approved by Council at the June 10 public hearing will be included in the total budget appropriation.

**B. City of Mountain View Capital Improvement Program Budget (CIP)**

Adoption of the first fiscal year of the Five-Year Capital Improvement Program (Fiscal Years 2003-04 through 2007-08) authorizes appropriations in the amount of \$22,865,000. In addition, it is proposed to transfer \$400,000 from the Hetch-Hetchy Trail Design and Construction, Project 02-27, to the Transit-Oriented Development Fund. These allocations were conceptually approved as part of the Fiscal Year 2003-04 Capital Improvement Program.

**C. Rate and Fee Recommendations**

On June 3, 2003, Council tentatively approved the following City utility rate adjustments and fee recommendations:

**Water Rate Increase:**

A 6.0 percent increase in rates will generate additional revenue to fund the 25.7 percent rise in the wholesale cost of water purchased from the San Francisco Water Department and mitigate the size of next year's rate increase.

**Wastewater Rate Increase:**

An 8.0 percent rate increase to move the fund closer to fully balancing revenues and expenditures.

**Refuse Disposal and Recycling Rate Increase:**

A 2.0 percent rate increase to fund the increased cost of program enhancements and the operations of Foothill Disposal.

Proposed Fees and Fee Modifications:

This fiscal year, in conjunction with the Fiscal Year 2003-04 budget preparation, staff reviewed fees and services and made recommendations regarding establishment of new fees and increased levels of cost recovery.

Fee recommendations are based on the following:

- An increase of 1.2 percent to existing fees based on the local June 2002 CPI. The CPI for the completed prior fiscal year is utilized so the fees are not based on an estimate for the current fiscal year.
- A change in the level of service provided, higher level of cost recovery or an increase reflecting a multi-year CPI for fees not receiving an annual CPI adjustment in prior years.
- New fees to recover the cost of services currently provided.

Fee proposals were considered at the April 15 and May 6 study sessions and the June 3 public hearing.

The fees listed on Exhibits 1 through 8 of the fee resolution are only those fees staff has proposed be adopted or amended; it is not a complete listing of all fees as many fees are not being changed.

D. Appropriations Limit

The City is required by the State Constitution, Article XIII B, to annually establish the maximum amount of appropriations subject to limitation. The calculations detailed on Page 1-16 of the Proposed Budget transmittal letter indicate the Fiscal Year 2002-03 appropriations limit has been amended to \$133,694,935 as final information was not available and an estimate was used. The City's Fiscal Year 2003-04 appropriation limit is \$132,944,440, and revenues subject to limitation are approximately \$89.1 million under this limit.

**AGENDA:** June 10, 2003

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**PUBLIC NOTICING**—Agenda posting.

Prepared by:

Approved by:

Helen M. Ansted  
Principal Financial Analyst

Robert F. Locke  
Finance and Administrative  
Services Director

Kevin C. Duggan  
City Manager

HMA/9/CAM  
530-06-10-03M^

- Attachments:
1. Resolution Adopting the Fiscal Year 2003-04 Budget
  2. Resolution Adopting the Fiscal Year 2003-04 Appropriations Limit
  3. Resolution Amending the City of Mountain View Master Fee Schedule
  4. Resolution Adopting the Fiscal Year 2003-04 Revitalization Authority Budget
  5. Resolution Adopting the Fiscal Year 2003-04 Shoreline Regional Park Community Budget

**CITY OF MOUNTAIN VIEW  
RESOLUTION NO.  
SERIES 2003**

**A RESOLUTION ADOPTING THE FISCAL YEAR 2003-04 BUDGET**

WHEREAS, the City Council held duly noticed study sessions on April 15 and May 6, 2003 and held duly noticed public hearings on June 3 and June 10, 2003, and heard all persons wishing to be heard regarding said proposed budgets. The City Council considered these comments and deliberated the City Manager's proposed budget;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mountain View as follows:

1. The City of Mountain View proposed budget in the amount of \$122,395,706 as recommended by the City Manager, plus any amendments approved by the City Council on June 10, 2003, on file in the City Clerk's Office, including the Fund Schedules Section of the Proposed Budget, is hereby adopted as the Fiscal Year 2003-04 budget of this agency.
2. The City Council appropriate \$9,678,000 for the Fiscal Year 2003-04 Capital Improvement Program and transfer \$400,000 from Hetch-Hetchy Trail Design and Construction, Project 02-27, to the Transit-Oriented Development Fund as this project is completed.
3. An appropriation in the amount of \$33,333 is included to match potential Homeland Security grant funding. If the grant is not awarded, this appropriation will not be utilized.
4. The City Council has included appropriations sufficient to meet all its bonded debt service obligations.
5. Except for continuing appropriations for capital improvement projects not yet completed, Community Development Block Grant programs, grant funding, legal cases and other expenditures lawfully encumbered or accrued, all other unexpended appropriations shall lapse at the end of the fiscal year in accordance with City Charter Section 1105.
6. Appropriations as needed from investment earnings and other program income received on grant funds are hereby authorized.



7. Appropriations in the compensated absence reserve are hereby authorized as needed for vacation and sick leave balances of employees during Fiscal Year 2003-04.

8. Appropriations for the Police Asset Forfeiture Fund are hereby authorized up to the uncommitted cash balance in the Police Asset Forfeiture Fund.

9. Appropriations in the Unemployment Fund for unemployment claims payments are hereby authorized as needed.

10. Appropriations in the Employee Benefits Fund are hereby authorized as needed to be funded by the contributions of the City, employees and retirees.

11. The City Manager or designee is authorized to increase appropriations in the Cable Television Fund for payments and transfers that are calculated on franchise fees received, payment of interest earned on the endowment funds and annually rebudget the remaining balance of the miscellaneous maintenance funds.

12. The City Manager or designee is authorized to increase appropriations for specific retail and golf lesson expenditures of the Shoreline Golf Links operations that are offset by retail sales and golf lesson revenues.

13. The Finance and Administrative Services Director is hereby authorized to make adjustments and corrections to budgeted amounts for reasons such as: (1) amendments adopted by City Council; (2) final benefit coverage costs; (3) final represented and nonrepresented employee compensation costs; (4) adjustments between funds and departments for internal service charges and administrative overhead reimbursements; (5) modifications to revenue and appropriations for the actual Public Library Fund grant amount received; and (6) other corrections as necessary. The Finance and Administrative Services Director is authorized to determine the budgeted amounts for implementation of the decisions made at the public hearings and will report the final adopted budget and any reconciling changes in the compilation of the budget to the City Council by an informational memorandum and will file said final adopted budget with the City Clerk's Office.

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**CITY OF MOUNTAIN VIEW  
RESOLUTION NO.  
SERIES 2003**

**A RESOLUTION ADOPTING  
THE FISCAL YEAR 2003-04 APPROPRIATIONS LIMIT**

WHEREAS, Article XIII B of the Constitution of the State of California requires that total annual appropriations of the City of Mountain View funded from the proceeds of taxes shall not exceed the appropriations limit of the City for the prior fiscal year adjusted for specified changes; and

WHEREAS, this Article requires the City to establish its appropriations limit by resolution each fiscal year at a regularly scheduled meeting or at a noticed special meeting, before the beginning of each fiscal year; and

WHEREAS, the City Finance and Administrative Services Department has prepared the budget documentation as intended by Article XIII B of the California Constitution and has made such documents available for public review;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Mountain View hereby amends the Fiscal Year 2002-03 Appropriations Limit to \$133,694,935 based on final fiscal year information and adopts the Appropriations Limit for Fiscal Year 2003-04 of \$132,944,440.

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HMA/6/RESO  
530-06-10-03R-3^

**CITY OF MOUNTAIN VIEW  
RESOLUTION NO.  
SERIES 2003**

**A RESOLUTION AMENDING  
THE CITY OF MOUNTAIN VIEW MASTER FEE SCHEDULE**

WHEREAS, staff has reviewed and analyzed the cost of providing various City services and allocated overhead costs throughout the City departments; and

WHEREAS, the City seeks to achieve and maintain financial stability through reasonable cost recovery where appropriate to allow the City to continue to provide cost-effective services;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Mountain View that the following fees are hereby adopted and set forth in the schedules attached hereto and incorporated herein as:

Exhibit 1: Fee Schedule for City Clerk's Office, as revised June 2003.

Exhibit 2: Fee Schedule for Finance and Administrative Services  
Department, as revised June 2003.

Exhibit 3: Fee Schedule for Community Development Department, as  
revised June 2003.

Exhibit 4: Fee Schedule for Public Works Department, as revised June 2003.

Exhibit 5: Fee Schedule for Community Services Department, as revised  
June 2003.

Exhibit 6: Fee Schedule for Library Services Department, as revised  
June 2003.

Exhibit 7: Fee Schedule for Fire Department, as revised June 2003.

Exhibit 8: Fee Schedule for Police Department, as revised June 2003.

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530-06-10-03R-2^

**MOUNTAIN VIEW REVITALIZATION AUTHORITY (MVRA)  
RESOLUTION NO.  
SERIES 2003**

**A RESOLUTION ADOPTING THE FISCAL YEAR 2003-04 BUDGET**

WHEREAS, the MVRA Board of Directors (Board) held a duly noticed study session on May 6, 2003 and held duly noticed public hearings on June 3 and June 10, 2003 and heard all persons wishing to be heard regarding said proposed budgets;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Mountain View Revitalization Authority as follows:

1. The Mountain View Revitalization Authority proposed budget in the amount of \$1,904,100, as recommended by the City and Authority Manager, plus any amendments approved by the Board on June 10, 2003, on file in the City Clerk's Office, is hereby adopted as the Fiscal Year 2003-04 budget of this agency.

2. The Board has included appropriations sufficient to meet all its bonded debt obligations.

3. Except for continuing appropriations for capital improvement projects not yet completed and other expenditures lawfully encumbered or accrued, all other unexpended appropriations shall lapse at the end of the fiscal year.

4. The Treasurer/Finance and Administrative Services Director is authorized to adjust the Housing Set-Aside appropriation based on the applicable property tax received.

5. The Treasurer/Finance and Administrative Services Director is hereby authorized to make adjustments and corrections to budgeted amounts for reasons such as: (1) amendments adopted by the Board; (2) final benefit coverage costs; (3) final represented and nonrepresented employee compensation costs; (4) adjustments between funds and departments for internal service charges and administrative overhead reimbursements; and (5) other corrections as necessary. The Treasurer/Finance and Administrative Services Director is authorized to determine the budgeted amounts for implementation of the decisions made at the public hearings and will report the final adopted budget and any reconciling changes in the compilation of the budget to the Board by an informational memorandum and will file said final adopted budget with the City Clerk's Office.

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MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY (SRPC)  
RESOLUTION NO.  
SERIES 2003

A RESOLUTION ADOPTING THE FISCAL YEAR 2003-04 BUDGET

WHEREAS, the SRPC Board of Directors (Board) held a duly noticed study session on May 6, 2003 and held duly noticed public hearings on June 3 and June 10, 2003 and heard all persons wishing to be heard regarding said proposed budget;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Mountain View Shoreline Regional Park Community as follows:

1. The Mountain View Shoreline Regional Park Community proposed budget in the amount of \$13,868,981 as recommended by the City and Community Manager, plus any amendments approved by the Board on June 10, 2003, on file in the City Clerk's Office, is hereby adopted as the Fiscal Year 2003-04 budget of this agency.
2. The Board appropriate funding in the amount of \$13,187,000 for the Fiscal Year 2003-04 Capital Improvement Program.
3. The Board has included appropriations sufficient to meet all its bonded debt obligations.
4. Except for continuing appropriations for capital improvement projects not yet completed and other expenditures lawfully encumbered or accrued, all other unexpended appropriations shall lapse at the end of the fiscal year.
5. The Treasurer/Finance and Administrative Services Director is hereby authorized to make adjustments and corrections to budgeted amounts for reasons such as: (1) amendments adopted by the Board; (2) final benefit coverage costs; (3) final represented and nonrepresented employee compensation costs; (4) adjustments between funds and departments for internal service charges and administrative overhead reimbursements; and (5) other corrections as necessary. The Treasurer/Finance and Administrative Services Director is authorized to determine the budgeted amounts for implementation of the decisions made at the public hearings and will report the final adopted budget and any reconciling changes in the compilation of the budget to the Board by an informational memorandum and will file said final adopted budget with the City Clerk's Office.

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